REMARKS

In the Office Action, the Examiner rejected Claims 1-19, which are all of the pending claims, under 35 U.S.C. §102 as being fully anticipated by either U.S. Patents 5,737,415 (Akiyama, et al.) or 6,002,772 (Saito). In particular, Claims 1 and 3-12 were rejected as being fully anticipated by Akiyama, et al. and Claims 2 and 13-19 were rejected as being fully anticipated by Saito.

Applicants herein request that independent Claims 1, 2, 3, 10 and 13 be amended to emphasize differences between the claims and the prior art.

The present invention relates to a method and system for charging for the use or copying of digital data. The prior art cited by the Examiner, Akiyama, et al. and Saito, discloses systems for managing digital data. These prior art references, however, are particularly directed to encrypting the data to prevent unauthorized use. The present invention, in contrast, is directed more toward monitoring and charging for the use of the digital data.

More specifically, Akiyama, et al. discloses a software management module, which may be incorporated in hardware, for encrypting software data. This management module is also provided with a function for decoding the encrypted software, and a mechanism for managing authorization for decoding.

Saito discloses a technique that combines cryptography with an electronic watermark. Each time an authorized copy is made of data, a watermark is encrypted. In this way, when an unauthorized copy is found, it can be determined from which authorized copy that unauthorized copy was made.

The present invention, as mentioned above, is directed more toward charging for copying or using the digital data. An important aspect of the invention is that charges for using

11/ 16

the data are determined dynamically – that is, the charges may be calculated at the time of use based on a number of variable factors including the extent of use.

While the systems discussed in Akiyama, et al. and Saito can employ charging procedures, neither of these references discloses or suggests the above-mentioned dynamic charging approach of the present invention.

The other references of record have been reviewed, and whether these other references are considered individually or in combination, they are believed to be no more pertinent than the above discussed Akiyama, et al. and Saito references. Specifically, these other references also do not teach or suggest the dynamic charging procedure of the present invention.

Applicants herein request that Claims 1, 2, 3, 10 and 13 be amended to emphasize the above-discussed difference between this invention and the prior art. In particular, Claims 1 and 3 are being amended herein to indicate that the accounting logic is used for dynamically charging for the use of the recognized object data, and Claim 2 is being amended to positively set forth the step of dynamically charging only for the use of defined object data. Similarly, Claims 10 and 13 are being amended to positively set forth the step of dynamically charging for the use of recognized data.

This feature is of considerable utility because it provides substantial flexibility. It allows a price to be based on any one or more of a number of factors, which themselves may vary from time-to-time or based on other considerations.

Applicants note that the amendments requested herein only emphasize differences between the claims and the prior art. It is thus believed that entry of this Amendment is appropriate, and such entry is respectfully requested.

Also, because of the above-discussed differences between Claims 1, 2, 3, 10 and 13 and the prior art, and because of the advantages associated with those differences, these claims, as amended herein, patentably distinguish over the prior art and are allowable. Claims 4-9 are dependent from Claim 3 and are allowable therewith, and Claims 11 and 12 are dependent from Claim 10 and are allowable therewith. In addition, Claims 14-19 are dependent from, and are allowable with, Claim 13. Accordingly, the Examiner is respectfully requested to reconsider and to withdraw the rejections of Claims 1-19 under 35 U.S.C. §102, and to allow these claims.

Attached hereto is a marked-up version of the changes made to the application by the current amendment. The attached page is captioned "Version with Markings to Show Changes Made."

Every effort has been made to place this application in condition for allowance, a notice of which is requested. For the reasons advanced above, the Examiner is asked to enter this Amendment, and to reconsider and to withdraw the rejections of Claims 1-19 and to allow these claims. If the Examiner believes that a telephone conference with Applicants' Attorneys would be advantageous to the disposition of this case, the Examiner is requested to telephone the undersigned.

Respectfully Submitted,

John S. Sensny

Scully, Scott, Murphy & Presser 400 Garden City Plaza Garden City, New York 11530 (516)742-4343

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VERSION WITH MARKINGS TO SHOW CHANGES MADE

IN THE CLAIMS

Please amend Claims 1, 2, 3, 10 and 13 as set forth below.

- 1. (Twice Amended) A data charging system comprising:
- a content generator for generating contents containing object data,
- a recording medium for recording charging data used for charging for said object data and recognition data used for recognition of the object data, and
- a data charging apparatus for charging for the use of said object data by using said charging data and said recognition data which have been recorded;

wherein said data charging apparatus comprises:

data reading logic for reading out said recognition data and said charging data from said recording medium,

- a separator for separating said object data from said contents,
- a recognition logic for recognizing said separated object data by using said recognition data which has been read out,
- an accounting logic for <u>dynamically</u> charging for the use of said recognized object data by using said charging data which has been read out, and
- a writing logic for writing, as said charging data, the results of charging for the use of said recognized object data into said recording medium.
- 2. (Twice Amended) A content generator for embedding digital watermarks in object data and generating contents in a data charging system which records, on a recording

medium, charging data used for charging for object data contained in said contents and recognition data used for recognizing the object data and <u>dynamically</u> charges only for the use of the object data embedded with said digital watermarks by using said charging data and said recognition data which have been recorded.

- 3. (Twice Amended) In a data charging system which records, on a recording medium, charging data used for charging for object data contained in contents and recognition data used for recognizing the object data and charges for the use of said object data by using said charging data and said recognition data which has been recorded,
 - a data charging apparatus comprising:
- a data reading logic for reading said recognition data and said charging data from said recording medium,
 - a separator for separating said object data from said contents,
- a recognition logic for recognizing said separated object data by using said recognition data read out,
- an accounting logic for <u>dynamically</u> charging for the use of said recognized object data by using said charging data which has been read out, and
- a writing logic for writing, as said charging data, the results of charging for the use of said recognized object data into said recording medium.
- 10. (Twice Amended) A data charging method for generating contents which contain object data and recognition data used for the recognition of this object data, recording

charging data used for charging for said object data and the recognition data used for recognition of the object data, and charging for the use of said object data by using said charging data and said recognition data which have been recorded, comprising the steps of:

reading said recognition data and said charging data from said recording medium, separating said object data from said contents,

recognizing said separated object data by using said recognition data which has been read out,

dynamically charging for the use of said recognized object data by using said charging data which has been read out; and writing, as said charging data, the results of charging for the use of said recognized object data into said recording medium.

13. (Twice Amended) In a data charging apparatus of a data charging system which records, on a recording medium, charging data used for charging for object data contained in contents and recognition data used for recognition of the object data, and charges for the use of said object data by using said charging data and said recognition data which have been recorded;

a computer program product enabling a computer to execute the steps of:
reading said recognition data and said charging data from the recording medium,
separating said object data from said contents,

recognizing said separated object data by using said recognition data which has been read out,

dynamically charging for the use of said recognized object data by using said charging data which has been read out, and writing, as said charging data, the results of charging for the use of said recognized object data into said recording medium.

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Scully, Scott, Murphy & Presser 400 Garden City Plaza Garden City, New York 11530 (516)742-4343

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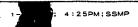
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09/457,842	December 9, 1999	Christina O. Sherr	3621
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400 Garden City Plaza Garden City, New York 11530 (516) 742-4343 - Telephone (516) 742-4366 - Facsimile e:mail: intprop@ssmp.com

SCULLY, SCOTT, MURPHY & PRESSER



To:	Examiner Christina O. Sherr	From:	John S. Sensny	
Fax:	703-305-7687	Pages:	16 (Including fax cover sheet)	
Phone	N	Date:	1/22/2003	
Re:	See Below	CC:		

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- 1. Amendment Transmittal Letter (in duplicate)
- 2. Amendment under 37 C.F.R. §1.116
- 3. Authorization to Charge Deposit Account (IBM Yorktown)
- 4. Certificate of Transmission by Facsimile dated January 22, 2003

Applicants:

Satoru Sawada, et al.

Serial No.

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APPARATUS, AND DATA CHARGING METHOD

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Dated:

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